

House Bill 176

By: Representatives Scott of the 2nd, Loudermilk of the 14th, Neal of the 1st, Setzler of the 35th, Franklin of the 43rd, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income
2 taxes, so as to provide for a gradual reduction in the state income tax rate for corporations over
3 a period of years; to abolish the state income tax for corporations effective for tax years
4 beginning on or after January 1, 2010; to provide for the collection of income taxes prior to
5 such abolishment; to provide for an effective date; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

9 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is
10 amended by revising subsection (a) of Code Section 48-7-21, relating to taxation of
11 corporations, as follows:

12 "(a)(1)(A) For the taxable year beginning on or after January 1, 2007, and prior to
13 January 1, 2008, every Every domestic corporation and every foreign corporation shall
14 pay annually an income tax equivalent to 6 percent of its Georgia taxable net income.

15 (B) For the taxable year beginning on or after January 1, 2008, and prior to January 1,
16 2009, every domestic corporation and every foreign corporation shall pay annually an
17 income tax equivalent to 4 percent of its Georgia taxable net income.

18 (C) For the taxable year beginning on or after January 1, 2009, and prior to January 1,
19 2010, every domestic corporation and every foreign corporation shall pay annually an
20 income tax equivalent to 2 percent of its Georgia taxable net income.

21 (D) For any taxable year beginning on or after January 1, 2010, there shall not be a
22 corporate income tax and no corporate returns are required.

23 (2) Georgia taxable net income of a corporation shall be the corporation's taxable income
24 from property owned or from business done in this state. A corporation's taxable income
25 from property owned or from business done in this state shall consist of the corporation's
26 taxable income as defined in the Internal Revenue Code of 1986, with the adjustments

1 provided for in subsection (b) of this Code section and allocated and apportioned as
2 provided in Code Section 48-7-31."

3 **SECTION 2.**

4 This Act shall become effective upon its approval by the Governor or upon its becoming law
5 without such approval.

6 **SECTION 3.**

7 All laws and parts of laws in conflict with this Act are repealed.